

# Mayor's Office

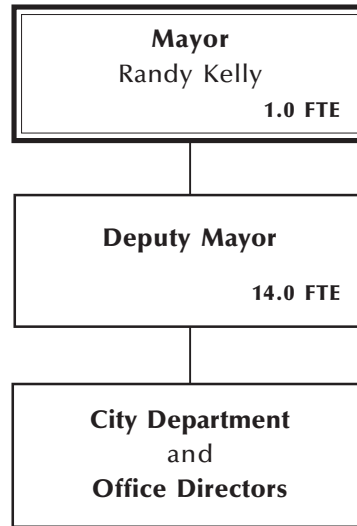
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## Mission Statement

To direct the operation of the City and promote the interests of its citizens and its businesses.

# Mayor's Office

(Total 15.0 FTEs)



## Strategic Plan Accomplishments and 2005 Priorities

### Major Accomplishments

- **State cuts to LGA** When faced with a state budget crisis and expected loss of millions of dollars in Local Government Aid, the City acted swiftly and strategically. By demanding more efficiency in how we do business, we significantly limited employee layoffs and cuts in key citizen services.
- **Public Safety** We maintained a strict commitment to public safety, despite facing one of the city's most severe budget crises in its history. The department moved to a new state-of-the-art headquarters, improving operations efficiency. The city also cooperated with Ramsey County and the state on a new 800Mhz technology for emergency communication.
- **Housing 5000** We exceeded our two-year goal of building 2,500 new housing units in our initiative to build 5,000 in four years. Downtown residential building continues to progress, and we celebrated with ground-breakings for two large riverfront housing developments.
- **Bio-tech initiative** The city continues to move ahead on its key economic development project to create a bio-sciences corridor near the University of Minnesota Saint Paul campus. The city has raised \$8 million to build a new bio-tech incubator, and several companies have agreed to move into it, representing the first steps in bringing thousands of new, high-paying jobs to our area.
- **Targeted economic development assistance** We launched several strategic initiatives to help small and large businesses move to or expand in our City that will further increase our tax base. These initiatives included a city-backed loan program through community banks to assist small minority- and women-owned businesses, and incentives to businesses located outside Saint Paul to move and invest here with high-paying jobs.

### 2005 Priorities

We continue on a path to keep Saint Paul affordable, safe and growing by short- and long-term strategic investment in a few targeted areas.

- **Affordability:** The 2005 budget will continue to make Saint Paul more affordable compared to other nearby communities, in order to compete for business development and jobs, and remain desirable for new as well as long-time residents. For the 12th year in a row, the city budget will cause no increase in the overall amount of property taxes collected by the city. To avoid a property tax increase and still maintain services while absorbing another state LGA reduction in excess of \$3 million, city revenues will be increased in ways that are most fair to our taxpayers. Over the long term property taxes on Saint Paul citizens can best be kept affordable by preserving and increasing our overall tax base so the cost of services can be spread most broadly.
- **Preservation and growth of our tax base:** We must continue to look for and invest in ways to preserve and increase our tax base if we are to continue to provide City services without large increases in property taxes.
- **Healthcare:** Health care is a vibrant and growing part of our economy, and is the largest private employer in Saint Paul. We are working with our legislative delegation to secure \$2.5 million in state bonding to begin creating a new Health Care Education Center near our downtown hospitals.
- **Housing 5000:** We will continue to work with our partners to meet our goal to build 5,000 new housing units by the end of 2005. We are capitalizing on a nationwide trend, which is a return to urban core living by two key demographic segments: empty nesters, with significant wealth and disposable income; and young adults, who because of low mortgage rates can own a home for the same cost as renting.
- **Bio-tech:** We have begun planning additional facilities in the Midway area, close to the University. The city also has a \$20 million dollar request in to the Legislature for infrastructure that will help us build a thriving biotechnology cluster with thousands of new jobs in the years to come.

# Mayors Office

Department/Office Director: **DENNIS J FLAHERTY**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Addopted	Change from Mayor's Proposed 2004 Adopted	
<b><u>Spending By Unit</u></b>							
001 GENERAL FUND	1,327,177	1,110,876	1,294,963	1,316,039	1,361,039	45,000	21,076
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND	37,995	62,245	369,855	342,855	623,730	280,875	-27,000
Total Spending by Unit	<b>1,365,172</b>	<b>1,173,121</b>	<b>1,664,818</b>	<b>1,658,894</b>	<b>1,984,769</b>	<b>325,875</b>	<b>-5,924</b>
<b><u>Spending By Major Object</u></b>							
SALARIES	892,978	734,362	950,697	1,024,130	1,262,351	238,221	73,433
SERVICES	150,844	168,043	161,789	296,110	375,429	79,319	134,321
MATERIALS AND SUPPLIES	27,961	22,782	21,233	30,388	30,738	350	9,155
EMPLOYER FRINGE BENEFITS	281,201	237,500	305,761	290,766	298,751	7,985	-14,995
MISC TRANSFER CONTINGENCY ETC	12,188	10,434	225,338	7,500	7,500		-217,838
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS				10,000	10,000		10,000
Total Spending by Object	<b>1,365,172</b>	<b>1,173,121</b>	<b>1,664,818</b>	<b>1,658,894</b>	<b>1,984,769</b>	<b>325,875</b>	<b>-5,924</b>
Percent Change from Previous Year		<b>-14.1%</b>	<b>41.9%</b>	<b>-0.4%</b>	<b>19.6%</b>	<b>19.6%</b>	
<b><u>Financing By Major Object</u></b>							
GENERAL FUND	1,327,177	1,110,876	1,294,963	1,316,039	1,361,039	45,000	21,076
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE		7,904		217,855	408,730	190,875	217,855
FEES, SALES AND SERVICES							
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	74,500	115,450	237,885	125,000	215,000	90,000	-112,885
TRANSFERS							
FUND BALANCES			131,970				-131,970
Total Financing by Object	<b>1,401,677</b>	<b>1,234,230</b>	<b>1,664,818</b>	<b>1,658,894</b>	<b>1,984,769</b>	<b>325,875</b>	<b>-5,924</b>
Percent Change from Previous Year		<b>-11.9%</b>	<b>34.9%</b>	<b>-0.4%</b>	<b>19.6%</b>	<b>19.6%</b>	

# Budget Explanation

## Major Changes in Spending and Financing

### Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Further adjustments were made to the Mayor's Office base budget. Specifically:

- a shift of the costs of worker's compensation from the indirect allocation in the fringe benefits budget of the Mayor's Office into a central pool for small offices in the general government accounts general fund budget.

### Mayor's Recommendations

The Mayor's Office proposed general fund budget for 2005 is \$1,316,039, an increase of \$21,076, or 1.6% from the adopted 2004 budget. The 2005 proposed budget for the Mayor's Office special fund is \$342,855 compared the 2004 adopted budget of \$369,855.

### City Council Actions

The city council adopted the Mayor's Office budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- additional funding for receipt of grants and donations related to education initiatives (\$280,875)

The City Council made these further changes:

- added \$45,000 funding for miscellaneous expenditures.

The 2005 adopted budget is \$1,361,039 for the general fund, and \$623,730 in special funds.

## Tax Dollars And The Services They Buy\*

### Look what less than a dollar a day can buy from city government!

Any citizen who pays property taxes wonders where the money goes.

The pie chart shows how your tax dollars are at work in the community.

Consider the property taxes on an average residential property (\$132,200)

in Saint Paul. In 2005, the owner will pay about \$1,298 in property taxes.

Of that amount \$336, or just 26%, will go to the City of Saint Paul.

That's less than a dollar a day.

Police and Fire services receive two of the larger portions of your city property tax dollar. For \$100 annually, property taxpayers of an average-priced home are provided with 24-hour law enforcement protection.

For \$70 a year, they receive around-the-clock fire and medical response.

In addition to their immediate response services, both departments offer invaluable education and prevention programs.

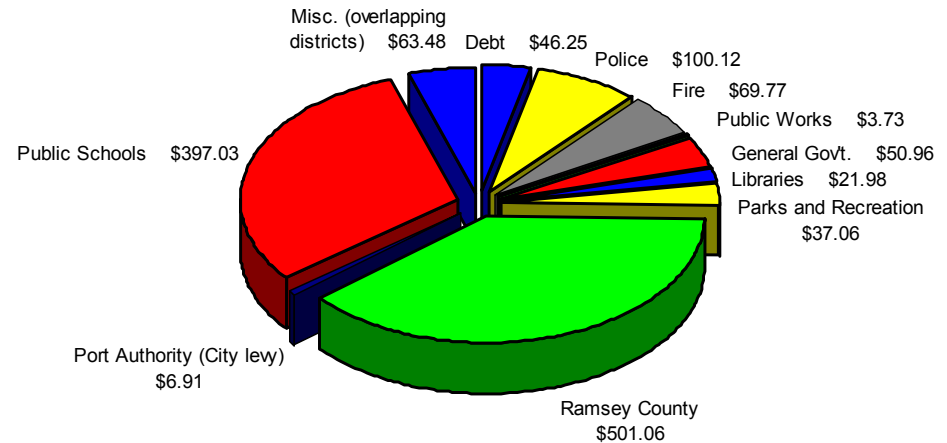
\$46 covers capital debt, the City's annual cost of repaying bonds that finance street construction, new libraries, recreation centers, children's play equipment and other capital improvements made over the last ten years.

\$37 goes to Parks and Recreation to provide a wide array of neighborhood recreational activities and to maintain and improve 42 recreation centers and 4,000+ acres of city park land.

For \$22, the Saint Paul Public Libraries offers taxpayers access to millions of books through the Metropolitan Library Services Association (MLSA) lending system and other library resources at their neighborhood libraries.

## Estimated 2005 Saint Paul Property Taxes

2005 TNT Tax Rates Applied to a Typical Home valued at \$132,200



Certified Tax Levies	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net City Tax Levy	65,283,382	65,008,382	64,358,298	62,736,749	62,393,263	62,393,263	62,393,263	62,393,263	62,393,263	62,393,263	52,690,256	52,403,916
Library Agency**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,855,007	10,267,172
Port Authority Levy	<u>1,453,165</u>	<u>1,453,165</u>	<u>1,453,165</u>	<u>1,449,978</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,382,000</u>	<u>1,312,175</u>
Net Tax Levy	66,736,547	66,461,547	65,811,463	64,186,727	63,843,263	63,843,263	63,843,263	63,843,263	63,843,263	63,843,263	63,927,263	63,983,263

\*\* Libraries became a separate agency (The Library Agency), which was adopted in 2003, and is no longer a part of the City of Saint Paul budget and/or tax levy.